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How William Kannas WETFILE (UP 0319) MAL Chairman, 7ce Washington, de C. CC Docket No. 97-231

Dear Chairman Kennard: With respect, ser, it is

you and your pakey makers Who are Wrang allaut The Telas judge 5 decision an the RBOE'S entry into lany distance.

The enclosed letter to the editor captures the essure of the viewe, in my apineous

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The Times-Picagune

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YOUR OPINIONS

When the feds intervene in the phone business

The humor in your Dec. 20 edition was not confined to the comics section. Persons at all familiar with the costs of operating the telephone business surely got a bundle of laughs from the story in the Money section headlined "Big phone companies recoil from local service."

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Don't you believe that this means AT&T, MCI and Sprint are really opting out of local service. Odds are there is a germ here of a lobbying ploy to evoke sympathy from the regulators as well as to re-emphasize their constant whine about Baby Bells' "delaying tactics."

These companies are really voicing publicly what they and the regional Bells have known all along. Providing local residential telephone service costs a whale of a lot of money.

Federal regulators have given the Big Three long distance companies and the myriad smaller start-up companies a free pass at the regional Bells' local market. These firms have cherry-picked the concentrated, lucrative business market in huge volumes but are balking at spending the billions necessary to serve the more dispersed residential market where the investments are big and the financial returns small.

That the Big Three should reason so is no big mystery. Why spend huge dollops of investment dollars on a residential market where the prospects for early financial gain are slim at best when the very act of not doing so bolsters the claim that the regional Bells have no real competition thus, by federal rules, barring the Bells from entering the long distance market dominated by you, the Big Three?

In the Alice-in-Wonderland world of federal intervention in the marketplace, this communications battlefield could well qualify as Exhibit A in "how to thwart the public interest."

The consumer is the real loser. For both the businessman and the homeowner, the ideal is to have one communications company that bundles together all service needs: local, long distance, international, Internet access, data, voice, etc., and renders one customer-friendly bill.

For the end user of these services, keeping one segment of the industry, the regional Bells, in a straitjacket while allowing all others to roam the competitive playing field freely makes no sense at

M.C. Fincher

Mandeville